STATE OF VERMONT

HUMAN SERVICES BOARD

In re)	Fair	Hearing	No.	18,085
)				
Appeal of)				

INTRODUCTION

The petitioner appeals the decision by the Department of Prevention, Assistance, Transition, and Health Access (PATH) reducing his Food Stamps. The issue is whether the regulations allow deductions from income for business start-up expenses and repairs to his home. The following facts are not in dispute.

FINDINGS OF FACT

- 1. The petitioner is disabled and receives Food Stamps. His income is \$604 a month from disability benefits. He has plans to start a business in his home, but to date he has not realized any income from such a business.
- 2. In June and July 2002 the petitioner received \$94 a month in Food Stamps. This was based on his receiving deductions from his income of \$134 as a standard deduction and \$334.32 for shelter based on information the petitioner provided regarding his mortgage and taxes.
- 3. In August and September his Food Stamps increased to \$135 (the maximum for a one-person household) because of an

additional deduction from his income (to \$652.80) for a second mortgage

- 4. In October the petitioner informed the Department that his mortgages had been paid off. This left the petitioner with a \$188.95 shelter deduction, which resulted in a decrease in his Food Stamps to \$54. The petitioner appealed this deduction.
- 5. At his hearing, held on November 22, 2002, the petitioner did not dispute the above information regarding his shelter expenses. He maintains, however, that he should be allowed deductions from his income for repairs he has had to make on his home and for expenses he has incurred trying to start up a home business.

ORDER

The Department's decision is affirmed.

REASONS

The allowable exclusions and deductions from income for Food Stamps are set out at Food Stamp Manual (FSM) §\$ 273.9(c-d). Certain expenses incurred in producing self-employment income are allowed as deductions from earned income, see FSM § 273.11, but no deductions for self-employment expenses are allowed from unearned income, see FSM § 273.9(d). Although the petitioner may be allowed to deduct these expenses to

offset future earnings, at this time the petitioner is not reporting earning any money from his business. His income is presently limited to his disability benefits, which are considered unearned. See FSM § 273.9(b)(2).

It also appears that the petitioner is not entitled to deduct routine repairs as a shelter expense. Allowable shelter costs are set forth at FSM § 273.9(d)(5) and are essentially limited to mortgage and/or rent payments, property taxes, utilities, and "charges for the repair of the home which was substantially damaged or destroyed due to a natural disaster such as a fire or flood." Id. at 273.9(d)(5)(i)(E).1

Inasmuch as the Department's decision in this matter is in accord with the above regulations the Board is bound to affirm. 3 V.S.A. § 3091(d), Fair Hearing Rule No. 17.

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 $^{^{1}}$ It should be noted, however, that if the petitioner obtains a mortgage or home equity loan to make repairs, his monthly payments would be considered a deductible shelter expense.